

RESOLUTION NO. 93-140
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A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING CONTRACT AUTHORIZING WESTERN STATES ADMINISTRATORS
TO ADMINISTER THE CITY OF LODI'S FLEXIBLE SPENDING ACCOUNT PLAN

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BE IT RESOLVED, that the Lodi City Council does hereby
approve the contract authorizing Western States Administrators
to administer the City of Lodi's Flexible Spending Account Plan,
as shown on Exhibit A attached hereto.

Dated: November 17, 1993

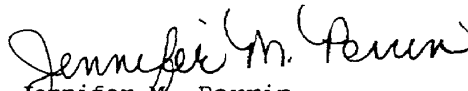
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I hereby certify that Resolution No. 93-140 was passed and adopted by the
City Council of the City of Lodi in a regular meeting held November 17,
1993 by the following vote:

Ayes: Council Members - Davenport, Mann, Sieglock, Snider and Pennino
(Mayor)

Noes: Council Members - None

Absent: Council Members - None


Jennifer M. Perrin
City Clerk

FLEXIBLE BENEFITS PLAN
OF
THE CITY OF LODI

ADMINISTRATION AGREEMENT

The undersigned Employer and WESTERN STATES ADMINISTRATORS ("Administrator") hereby enter into this Agreement for the administration of the Flexible Benefits Plan adopted by the Employer (the "Plan"), effective as of the effective date of the Plan.

1. Administration. Subject to the supervision of the Employer, the Administrator will administer the Plan, including any amendments thereto, in accordance with its terms. All of the provisions of the Plan, including the provisions governing indemnifications and limitations of liability, are hereby incorporated herein by reference. The administration of the Plan includes, but is not limited to: monitoring claims, preparation of summary plan description, participant election forms, summary annual reports, and preparation of the Plan's annual report (Form 5500). The Administrator acts as agent for the Employer, and subject to direction from the Employer in receiving payments from the Employer and processing employee benefit payments.

2. Employer Responsibilities. The Employer shall determine the eligibility of employees to participate in the Plan. In addition, the Employer shall provide the Administrator in a timely manner with the information necessary to administer the Plan, including the employee census data, employee salary reduction amounts, plus estimated administration costs, reduced by any forfeiture adjustments as calculated by the Administrator.

3. Administrator Fees. The fees of the Administrator shall be determined in accordance with the attached fee schedule.

Additional fees will be charged for any Plan redesign work, whether due to changes in the law or to the desires of the Employer.

4. Advanced Funds. Any income earned on the funds advanced to the Administrator for the payment of benefits shall be the property of the Employer and shall be applied to reduce the administration fees set forth in Paragraph 3 hereof. The administrator will segregate funds advanced for accounting purposes and shall identify the funds as property of the Employer and the Plan. The Administrator acknowledges that it holds such funds in a fiduciary capacity as agent for the Employer and the Plan and accepts responsibility for any losses while such funds are held by the Administrator.

5. Indemnification. The Employer hereby indemnifies and holds harmless WESTERN STATES ADMINISTRATORS from any cause of action by any governmental agency or any plan participant arising out of WESTERN STATES ADMINISTRATORS' preparation of the appropriate reports, discrimination tests, reimbursement checks and other records if said reports, tests and checks prepared by WESTERN STATES ADMINISTRATORS were done in reliance on the complete information furnished by the Employer or Agent of the Employer and said documents were prepared accurately.

based on said complete information. It is understood that WESTERN STATES ADMINISTRATORS innot perform the discrimi tion tests unless the Employer or Agent of the Employer provides WESTERN STATES ADMINISTRATORS with all of the information necessary to perform said tests. In addition, the Employer hereby indemnifies and holds harmless WESTERN STATES ADMINISTRATORS from any cause of action by any governmental agency or any plan participant for actions taken or omitted to be taken by the Employer, Agents of the Employer or Administration Recordkeepers prior to the effective date of this agreement. For purposes of this Section 5, "complete information" means all of the information necessary for Western States Administrators to prepare the appropriate reports, discrimination tests, reimbursement checks and other records.

6. Termination. This Agreement shall automatically terminate following the termination of the Plan, once all benefits have been paid and rinal reports prepared. The Agreement may be sooner terminated upon sixty (60) days' written notice by either party to the other party; upon any such sooner termination, the Administrator shall apply the funds in its possession for the payment of benefits to employees and to payment of its administrative fees and expenses. The Agreement may be terminated at any time by the Administrator, on fifteen (15) days' advance written notice, in the event the Employer fails to advance funds for benefits when due, unless such funds are provided within the 15-day notice period. The Administrator has no responsibility to enforce the Employer's funding of benefits required under the Plan.

7. Notices. All notices hereunder shall be given to the Employer and the Administrator at the respective address below (or at any subsequent address given in writing by one party to the other) personally, by Federal Express or similar overnight courier, or by United States mail, certified-return receipt requested, and shall be deemed given when delivered personally, one (1) day after sent by overnight courier, or three (3) days after deposited in the United States mail.

8. If a conflict exists between the Request for Proposal and the Proposal, the Request for Proposal will take precedence; if a conflict exists between the Proposal and the Administration Agreement, the language in the Agreement will take precedence.

This Administration Agreement is executed by the Employer and the Administrator on _____, 19_____.

Employer

WESTERN STATES ADMINISTRATORS
5130 East Clinton Way
Fresno, California 93727

Address

By: _____

By: _____

Title

Title